



Bringing Uniformity to the Taxation of Electronic Cigarettes and Tobacco Products

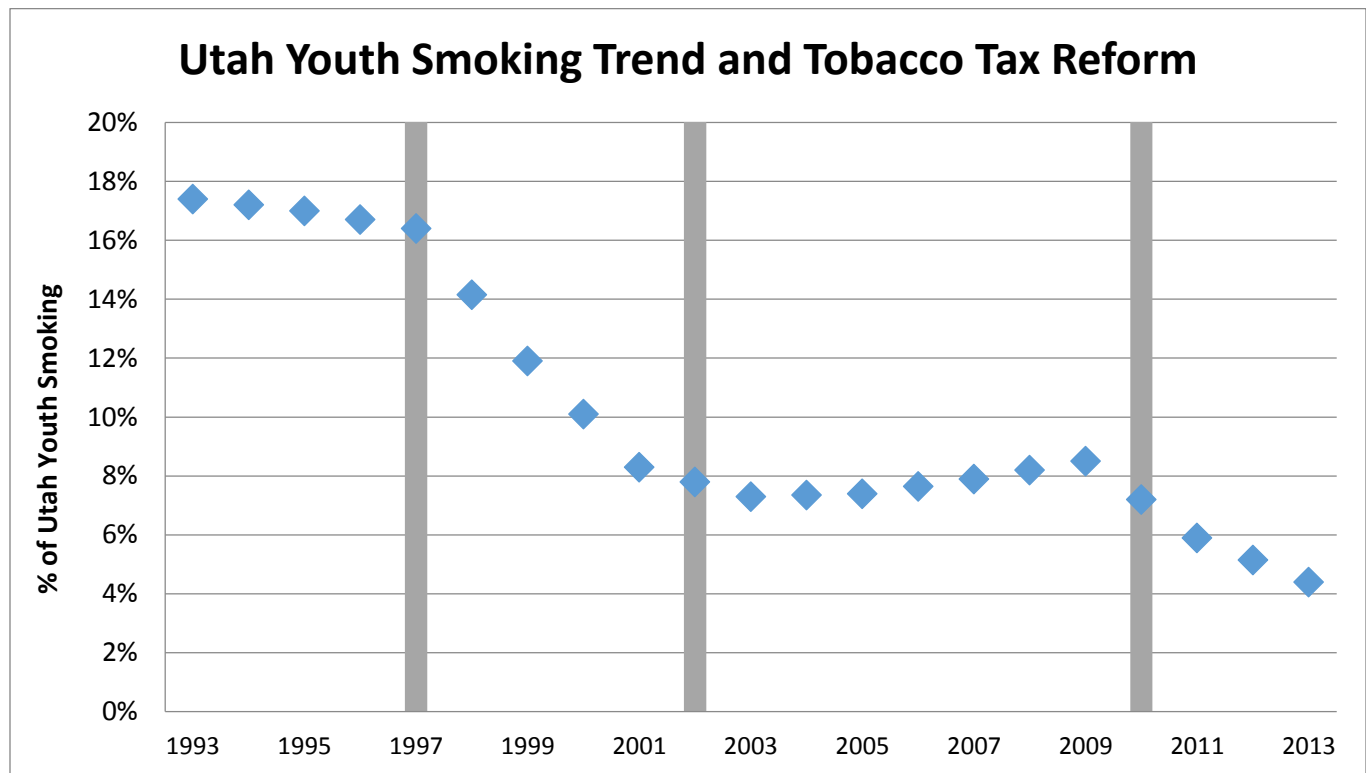
The use of electronic cigarette devices and liquid nicotine - which has increased dramatically in recent years - raises many public health concerns, particularly for Utah's youth. Leading health organizations have expressed concern about the potential harmful health effects of acute and chronic inhalation of the vaporized chemicals found in e-cigarettes, including nicotine. This is particularly worrisome in light of recent data revealing rapid take-up in e-cigarette use among our youth. Consider the following:

- From 2011 to 2013, use of e-cigarettes among Utah students tripled. In 2013, 8.0% of 12th graders reported using e-cigarettes in the past month.ⁱ
- In 2013, nearly one-third of Utah youth who used e-cigarettes in the past 30 days reported that they had never tried conventional cigarettes.ⁱⁱ
- Widespread marketing and the availability of fruit and candy-like flavors have contributed to the increasing use of e-cigarettes among Utah children.ⁱⁱⁱ
- Public health experts are concerned that 2013 data may even be underestimating the e-cigarette epidemic among youth. Data released just last month from the National Institute on Drug Abuse found that in 2014 17.1% of 12th Graders nationally responded as having used an e-cigarette in the past month.^{iv}
- The danger of electronic cigarettes extends beyond their use as vaporizers. If ingested, the liquid nicotine used in e-cigarettes can be hazardous. In 2014, poison control centers nationally received nearly 4,000 reported exposures to e-cigarettes and liquid nicotine, with slightly more than half of these exposures occurring in children under the age of 6.^v
- The American Medical Association (AMA) has been outspoken in support of the prohibition of claims that electronic cigarettes are effective tobacco cessation tools. The AMA also supports regulations that hold e-cigarettes to the same standards as conventional tobacco.^{vi}

Theory, data and experience support the notion that taxation is one of the best methods for reducing the consumption of socially harmful goods. Taxation as a deterrent can have an even greater impact on the consumption behaviors of youth, as this demographic generally has less disposable income than their adult counterparts.

Utah has witnessed associated declines in the youth smoking trend following increases in the state cigarette excise tax in 1997, 2002 and 2010. Moreover, declines in youth smoking have been greater as the period-over percentage tax increase rises, suggesting that greater relative tax increases could yield greater reductions in consumption among youth^{vii}. While these correlations do not prove causation, they represent another piece of evidence in favor of taxing electronic cigarettes at rates equal to those of conventional tobacco products, just as

the American Medical Association recommends the equal treatment of these products from a regulatory standpoint.



- 1997 State Cigarette Tax Increase: \$0.27 to \$0.52 (92.6% increase)
- 2002 State Cigarette Tax Increase: \$0.52 to \$0.70 (34.6% increase)
- 2010 State Cigarette Tax Increase: \$0.70 to \$1.70 (143% increase)

Electronic cigarettes pose a serious health concern to Utahns and Utah's youth specifically. Bringing these products under the umbrella of the conventional tobacco excise tax is a viable method of protecting Utah children from the risks of these devices.

ⁱ Tobacco Prevention and Control in Utah, Fourteenth Annual Report, Utah Department of Health, August 2014

ⁱⁱ Tobacco Prevention and Control in Utah, Fourteenth Annual Report, Utah Department of Health, August 2014

ⁱⁱⁱ Tobacco Prevention and Control in Utah, Fourteenth Annual Report, Utah Department of Health, August 2014

^{iv} Monitoring the Future Study, National Institute on Drug Abuse, 2014

^v American Association for Poison Control Centers, 2014

^{vi} AMA Supports Further Regulation of Electronic Cigarettes to Protect Youth, Press Release, American Medical Association, 2014

^{vii} Center for Disease Control and Prevention, Utah Cigarette Use, Youth Risk Behavior Surveillance System, 2015. Data imputed for even years.